

**21st ANNUAL REPORT
2011-2012**



INDUS FINANCE CORPORATION LTD



INDUS FINANCE CORPORATION LTD

BOARD OF DIRECTORS

1. Mr. BALA V. KUTTI	-	DIRECTOR
2. Mr. T.S. RAGHAVAN	-	DIRECTOR
3. Dr. K.R. SHYAM SUNDAR	-	DIRECTOR

AUDITORS

M/s. V. RAMARATNAM & CO.
CHARTERED ACCOUNTANTS,
115/1, 4TH STREET,
ABHIRAMAPURAM,
CHENNAI - 600 018.

BANKERS

AXIS BANK LIMITED, CHENNAI - 600 004.
DEVELOPMENT CREDIT BANK LIMITED, CHENNAI - 600 034.

REGISTERED OFFICE

"KOTHARI BUILDINGS", 4th FLOOR,
114, MAHATMA GANDHI SALAI,
NUNGAMBAKKAM,
CHENNAI - 600 034.
TEL : 044-28330867 / 23881310
FAX : 044-28330208
E-MAIL - contact@indusfinance.in
Website - www.indusfinance.in

REGISTRAR AND SHARE TRANSFER AGENT

CAMEO CORPORATE SERVICES LIMITED,
"SUBRAMANIAN BUILDINGS",
No.1, CLUB HOUSE ROAD,
TEL : 044-28460390
FAX : 044-28460129
E-MAIL - murali@cameoindia.co.in



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 21st Annual General Meeting of Company will be held at the registered office of the company at '114, Kothari Buildings, 4th Floor, M.G. Road, Nungambakkam, Chennai 600034 on Friday the 28th September 2012 at 10.00 A.M to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Profit and Loss Account for the year ended 31st March 2012 and the Balance Sheet as on that date along with the Auditor's and Directors' Report thereon.
2. To appoint Mr. Bala V. Kutti who retires at the end of this meeting and being eligible offers himself for re-appointment.
3. To declare a dividend.
4. To appoint M/s. V. Ramaratnam & Co., Chartered Accountants who retire at the end of this Annual General Meeting and are being eligible for re-appointment as Auditors till the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

5. To consider & if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.

“RESOLVED THAT Dr. K.R. Shyamsundar be and is hereby appointed as a Director of the Company, whose period of office will be subject to retirement by rotation”.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The Proxy form duly completed stamped and signed should reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members seeking any information are requested to write to the company at least 10 days in advance so as to enable the company to keep the information ready.
4. Members are requested to bring their copy of the Annual Report to the Meeting.
5. Members are requested to bring with them the Attendance slip and hand it over at the entrance duly filled in and signed by them
6. The Register of Members and Share Transfer Book will remain closed from 19th September 2012 to 28th September 2012 (both days inclusive)
7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.



8. Member are requested to inform their change of address (with PIN code) e-mail id, nominations, etc., to the Registrars and share Transfer Agents (RTA) of the Company in respect of shares held in physical form and their Depository participants in respect of shares held in electronic form.
9. Information regarding the Directors proposed to be reappointed pursuant to clause 49 (IV) (G) of the Listing Agreement with Stock Exchanges is annexed.

BY ORDER OF THE BOARD
For **INDUS FINANCE CORPORATION LTD**

Place: Chennai
Date: 10th August 2012

Bala V. Kutti
Director

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT SEC 173(2) OF THE COMPANIES ACT, 1956.

ITEM No. (4)

Dr. K.R. Shyamsundar was appointed as additional Director u/s 260 of the Companies Act, 1956 on 10th August 2012. He holds office up to the conclusion of this meeting. The Company has received a notice from a member proposing Dr. K.R. Shyamsundar as a Director along with necessary deposit in accordance with sec. 257 of the Companies Act 1956.

The Board recommends the resolution for approval of shareholders. Except Dr. K.R. Shyamsundar no other Director is interested in this Resolution.

BY ORDER OF THE BOARD
For **INDUS FINANCE CORPORATION LTD**

Place: Chennai
Date: 10th August 2012

Bala V. Kutti
Director

RESUME OF Dr. K.R. SHYAMSUNDAR

Dr. K.R. Shyamsundar is an Indian Police Service Officer of 1977 batch of Tamil Nadu cadre. After serving for three-and-a-half decades both in Tamil Nadu and in the Centre, he retired on superannuation on 30th April 2012. During his tenure, he served as District Superintendent of Police Tuticorin, ADC to Governor, Deputy Commissioner of Police (Law & Order) South Chennai, DIG of Ramnad Range and Villupuram Range, Inspector General of Police, Economic Offences Wing Financial Institutions (CB CID), Director Fire & Rescue Services, Director General of Prisons, DGP & Director, Vigilance & Anti-Corruption, Tamil Nadu & as CMD & DGP, Tamil Nadu Police Housing Corporation Limited. No one in India is more experienced than Dr. K.R. Shyamsundar in the investigation of Bank Fraud cases and he has supervised 650 bank fraud cases including a dozen cases worth 100 Crores and more. He has been decorated with two President's Police Medal for his Meritorious and Distinguished Service and he was the youngest to be decorated with this honour.



REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

To
The Shareholders

Your Directors have great pleasure in presenting the 21st Annual Report of the Company along with the Audited Accounts of the Company for the year ended 31st March 2012.

FINANCIAL RESULTS

(Rs. in Lacs)

PARTICULARS	2011-12	2010-11
Total Income	1070.13	112.45
Profit before Depreciation and Tax	862.03	47.12
Depreciation	811.19	11.93
Tax provision	24.61	14.28
Deferred Tax Asset	9.22	3.61
Profit after Tax	35.44	24.50
Amount available for appropriation	35.44	24.50
Transfer to Statutory Reserve	7.76	4.90
Transfer to Profit and Loss Account	27.68	19.60

FINANCIAL PERFORMANCE

Your Company has increased its total income for the period under review 10 times than that of the previous year from Rs. 112.45 Lacs to Rs.1070.13 Lacs.

The sizable improvement in sales income was due to increase in the financial income amounting to Rs. 1037.42 Lacs for the period under review as against Rs. 95.54 Lacs of the previous year. Further there was an increase from the income for sale of power which amounts to Rs. 31.05 Lacs for the period under review as against 16.30 Lacs for the previous year. The depreciation for the period under view amounts Rs. 811.19 Lacs against Rs. 11.93 Lacs of previous year. Your Company has registered a net profit of Rs. 35.44 Lacs for the period under review against Rs. 24.50 Lacs as that of previous year.

DIVIDEND

Your Directors are pleased to recommend a 3.5% dividend i.e. Rs. 0.35 for every equity shares of Rs. 10/- each fully paid up for the year 2011-12 aggregating to Rs. 32.40 Lacs. The Dividend Tax of Rs. 5.25 Lacs will be paid by the Company. The Dividend, if approved by the shareholders at the ensuing Annual General Meeting will be paid to the equity share holders whose names appear in Register of Members, as per the provisions of the Companies Act 1956.

FUTURE OUTLOOK

Though there was not much impact of Global Financial Crisis on Your Company, the significant change in the Regulatory frame work in the last few years has helped us to be very prudent resulting in achieving the desired goal. A settlement of long standing dispute between a group company and ICICI bank for which the Company had extended guarantee, resulted in the Company achieving good financial results. The deployment of funds so received in long term revenue generating fixed asset should help the Company to get regular flow of income in future. In the past few years, the increased competition from banks in the retail



finance segment has led to excess diversification by NBFCs from their core business activities. With proper loan policy in place and the loan portfolio performing well, the Company is confident of reasonably good results. As envisaged earlier the increased customer base, quality advance portfolio and committed workforce will work for increased net profit and net worth, creating value for all the stakeholders in the most competitive manner. With the loan portfolio growing rapidly company plans to raise requisite funds either through bank borrowings or placing NCDs.

OPPORTUNITIES & THREATS

Most of the NBFC's Customer profile is concentrated either in unorganized sector or on the self employed segment, NBFC's have also ventured into riskier segments such as real estate, unsecured loans, purchase finance for used commercial vehicles, etc. These factors increase their risk profile which could have adverse impact on the financial health of NBFCs. have immense business potential from the segment untapped by commercial banks. The changes in the regulatory frame work have made them NBFCs. Very competitive and responsible. The Reserve Bank of India (RBI) has introduced guidelines under which bank loans to NBFCs are not considered priority-sector loans from 1 April 2011, which reduces incentives from banks to lend directly to NBFCs and will increase the latter's funding costs. Access to stable funding from banks, institutional investors and capital markets is a key factor in the stable outlook on the sector, and any disruption in funding access could lead to negative growth as well as rating action. A continued decline in economic growth in 2012 in particular, a steep drop in industrial output, affecting asset quality/asset growth and earning could also lead to negative rating action.

RISK AND CONCERNS

Every NBFCs is subject to both Business and Financial risk. While the business risk associated with operating environment, ownership structure, Management, System & Policy and Corporate Governance, the financial risk lies in Asset Quality, Liquidity, Profitability and Capital Adequacy. IFCL recognises these risks and makes best effort to mitigate them in time.

THE RBI NORMS AND ACCOUNTING STANDARDS

To comply with RBI directions, your company closed its accounts for the full year ending March 2012, and your Company continues to comply with the directives issued as well as the norms prescribed by Reserve Bank of India for NBFCs.

INFORMATION AS PER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956

Your Company is a Non-Banking Finance Company and is not engaged in manufacturing activity of any kind. The disclosure of information relating to conservation of energy and technology absorption are therefore not applicable to your company. There were no foreign exchange earnings or outgo for your Company during the year.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 217 (2A) of the Companies (Amendment) Act 2000, the Directors confirm that;

1. In the preparation of Annual Accounts for the year ended 31st March 2012, all the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the



state of affairs of the company as at 31st March 2012 and of the Profit or Loss of the company for the year under review.

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts for the current financial year on a 'going concern' basis.

DIRECTOR

Mr. Bala V. Kutti, retires at the end of this meeting and being eligible, offers himself for re-appointment.

Dr. K.R. Shyamsundar, Retired IPS was appointed as additional Director U/s. 260 of the Companies Act 1956. He holds office up to the conclusion of 21st AGM of the Company. A notice has been received from a member proposing his candidature for the Directorship along with requisite fee and the same is included in the notice convening the 21st AGM for the consideration and approval of the shareholders.

DELISTING OF SHARES FROM MADRAS STOCK EXCHANGE LTD AND COIMBATORE STOCK EXCHANGE LTD.,

Pursuant to the share holder's approval for voluntary delisting of shares from MSE and CSE under delisting of (equity shares regulation 209 of SEBI) in their Annual general meeting held on 30-9-2011, the company has submitted the application for delisting of shares to the respective stock exchanges in the month of February 2012. The stock exchanges have not intimated their approvals so far. However, as per the said regulation it is deemed to have approved, on the expiry of thirty working days from the date of submission of such application.

CORPORATE GOVERNANCE

Your Company provides considerable importance to good Corporate Governance and complying with the Code of Corporate Governance introduced by SEBI. A detailed report on Corporate Governance together with a certificate from the Statutory Auditors in compliance of Clause 49 of the Listing Agreement has been annexed as part of the Annual Report. Management Discussion and Analysis Report highlighting the performance of the company is attached forming part of the Directors' Report.

PERSONNEL

Your company does not have any employee drawing salary in excess of the amount stipulated under Section 217 (2A) of the Companies Act, 1956.

AUDITORS

M/s.V.Ramaratnam & Co. retire at the conclusion of this Annual General Meeting and are eligible for reappointment. Necessary resolutions are placed before the Shareholders for their approval.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation and gratitude to the bankers of the company and various Government agencies for their support, assistance and co-operation and look forward for their continued support.

For and on behalf of Board of
INDUS FINANCE CORPORATION LTD

Bala V. Kutti

Director

Place: Chennai

Date: 10th August 2012



REPORT ON CORPORATE GOVERNANCE:

INTRODUCTION

The company is complying with the mandatory requirements of the Code of Corporate Governance (Code) introduced by the Securities and Exchange Board of India (SEBI) and incorporated in Clause 49 of the Listing Agreement in all material aspects.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The company is committed to the highest standards of corporate governance in all its activities and business practices. The Company looks at Corporate Governance as a measure to ensure sustained better financial performance and to serve the shareholders by providing better service. The company considers Corporate Governance in its widest sense. The Corporate Governance measures the delivery of Company's objects with a view to translate the ability, opportunity into reality and results. The Board ensures better implementation of the key elements in Corporate Governance like transparency, disclosure, internal controls etc. It takes feedback into account in its reviews of the principles of commitment and growth to ensure better improvement and growth.

The following is the report on the practices of the company on major aspects of corporate governance:

A) COMPOSITION OF THE BOARD

The company has complied with the corporate governance norms in terms of constitution of the board. The Board comprises of 3 Directors and their details are given in Table 1.

B) NUMBER OF BOARD MEETINGS

Indus Finance Corporation Ltd held 7 Board Meetings during the year ended 31st March 2012. These were on 25th April 2011, 5th May 2011, 12th May 2011, 27th July 2011, 5th August 2011, 29th October 2011 & 11th February 2012.

C) DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD

Table I: Details about Indus Finance Corporation Ltd Board of Directors

Name	Designation	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Other Directorship (in Public Limited Companies)
Mr. Bala V. Kutti	Director	7	5	Yes	<ul style="list-style-type: none"> ➤ M/s.IndEco Ventures Ltd ➤ M/s.Indowind Energy Ltd ➤ M/s.Indonet Global Ltd. ➤ M/s.Loyal Credit & Investments Ltd
# Mr.T.R. Jayaraman*	Director	7	7	Yes	<ul style="list-style-type: none"> ➤ M/s.Indowind Energy Ltd
# Mr.T.S.Raghavan	Director	7	7	Yes	<ul style="list-style-type: none"> ➤ M/s.Tanfac Industries Ltd ➤ Empee Sugars & Chemicals Ltd ➤ Empee Distilleries Ltd ➤ Viswapriya (India) Ltd ➤ Onelife Capital Advisors Ltd ➤ Hindustan Safe Deposit Lockers Ltd. ➤ Indowind Energy Ltd

Independent Director means a Director who, apart from receiving a Director's remuneration does not have any other material pecuniary relationship or transactions with the company, its promoters, its management, or its subsidiaries, which in the judgment of the Board may affect the independence of judgment of the Director.

* Ceased to be the Director effective 11.06.2012 due to death.

None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.



D) INFORMATION SUPPLIED TO THE BOARD:

Among others, this includes:

- a) Annual operating plans and budgets and any updates.
- b) Quarterly financial results of the company
- c) Minutes of meeting of Audit Committee and other committees of the Board
- d) Materially important show cause, demand, prosecution and penalty notices
- e) Fatal or serious accidents of dangerous occurrences
- f) Any materially relevant default in financial obligations to and by the company.
- g) Any issue which involves possible public claims of substantial nature
- h) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- i) Sale of material nature, of investments, assets, which is not in the normal course of business
- j) Any issue which involves possible public claims of substantial nature
- k) Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of M/s. Indus Finance Corporation Ltd is routinely presented with information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

E) COMMITTEES OF THE BOARD

i) Audit Committee

A qualified and independent Audit Committee of the Board of the company is functioning. It monitors and supervises the Management's financial reporting process with a view to ensure accurate and proper disclosure, transparency and quality of financial reporting. The committee reviews the financial and risk management policies and also the adequacy of internal control systems and holds discussions with Statutory Auditors and Internal Auditors. This is enhancing the credibility of the financial disclosures of the company and also provides transparency.

The company continued to derive immense benefit from the deliberation of the Audit Committee comprising of three Directors, Mr.T.S. Raghavan & Mr. T.R. Jayaraman who are eminent professionals having knowledge in project finance, accounts and company law. The minutes of each Audit Committee meeting are placed before, and discussed in the full by the Board.

The Audit Committee met 5 times during the year ended 31st March 2012.

Table 2: Attendance record of Audit Committee Members

Name of Director	No. of Meetings	Meetings attended
Mr. T. R. Jayaraman	5	5
Mr.T.S.Raghavan	5	5

In addition to the areas, Indus's Audit Committee looks into controls and security of the company's critical internal control and assurance audit reports of all major divisions and profit centers and deviations from the code of business principles, if any.

ii) Shareholders / Investors Grievances Committee

The Shareholders / Investors Grievances Committee specifically look into redressing of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividends and to ensure expeditious share transfer process. This Committee comprises of Mr.T.S. Raghavan and Mr.T.R. Jayaraman Since there was no shareholder or investor grievance, there was no meeting held during the year.

F) MANAGEMENT

Disclosures by management to the Board

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board, and interested Directors neither participate in the discussion, nor do they vote on such matters.



G) SHAREHOLDERS

a) Disclosure regarding appointment or re-appointment of Directors

According to the Articles of Association of Indus, not less than 1/3rd of the Directors who are liable to retire by rotation, shall retire from office. All the Directors are eligible and are offering themselves for re-appointment as and when required.

Mr. Bala V. Kutti, is retiring at the conclusion of the forthcoming AGM and being eligible offers himself for reappointment.

b) Communication to shareholders

Indus Finance Corporation Ltd has its own web-site and all vital information relating to the company and its performance including quarterly results, official releases and presentation to analysts are posted on the web-site.

c) Remuneration Committee

The Remuneration Committee consists of Mr. Bala V. Kutti and Mr. T. R. Jayaraman, Indus's remuneration policy is based on three principles: Pay for responsibility, pay for performance and potential, and pay for growth. The company's Remuneration Committee is vested with all the necessary powers and authority to deal with all elements of remuneration package of all directors. This includes details of fixed components and performance-linked incentives.

As for the Non-Managing Directors, their appointment is for the benefit of their professional expertise in their individual capacity as independent business executives. Accordingly, the service contract, notice period and severance fees, if any of the company are not applicable to such Non-Managing Directors.

The Board felt that increase in remuneration to Managerial personnel could be considered after substantial improvement in the performance of the Company. Therefore no Remuneration Committee was held during the Financial Year 2011-12

d) Investor Grievances

As mentioned earlier in this chapter, the company has constituted Shareholder / Investors' Grievances Committee for redressing shareholders' and investors' complaints. The status on complaints is reported to the Board of Directors as an agenda item.

e) Share transfer

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Shares in physical mode which are lodged for transfer at either with the company or with the Share Transfer Agent are processed and share certificates are returned within the time prescribed by the authorities. A summary of transfer / transmission etc. of the company so approved by the Chairman is placed at every board meeting.

The company obtains from a Company Secretary in practice on half-yearly basis, a certificate of compliance with the share transfer formalities as required under clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock exchanges.

H) REGISTRAR AND TRANSFER AGENT

M/s.Cameo Corporate Services Limited Registrar, who is registered with SEBI as a category II Registrar, have been appointed as the registrar and share transfer agent of the company for both physical and electronic segment and have attended to share transfer formalities regularly.

I) GENERAL BODY MEETINGS

Details of last three annual general meetings are given in Table 3

Year	Location	Date	Time
2010-11	114, "Kothari Buildings" IV Floor, M.G.Road, Nungambakkam, Chennai - 600 034	30.9.11	11.00 A.M
2009-10	The Accord Metropolitan, 35, G.N.Chetty Road, T. Nagar, Chennai - 600 017	24.9.10	4.00 P.M
2008-09	The Accord Metropolitan, 35, G.N.Chetty Road, T. Nagar, Chennai - 600 017	30.9.09	4.00 P.M

**Disclosures:**

- a) Disclosure on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

There are no materially significant related party transactions made by the company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

- b) Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. The company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.
- c) Compliance by the Company. The company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets as and when applicable. The Stock Exchanges or SEBI or any other Statutory Authority has not imposed any penalty or stricture on the Company.

J) MEANS OF COMMUNICATION:

As stipulated under Clause 41 of the Listing Agreement, the Quarterly Results are published in one English National Newspaper (News Today) and one Tamil Newspaper (Maalai Sudar) within 48 hours of the conclusion of the Board meeting in which the results are approved. They are also displayed in the website of the Company www.indusfinance.com

The Company's website also displays official press/news releases and several other details/information of interest to various stakeholders, including the complete Annual Reports and shareholding pattern.

K) GENERAL SHAREHOLDERS INFORMATION**AGM**

Date	28.09.2012
Time	10.00 a.m.
Venue	Regd. Office : "Kothari Building", 4 th Floor, 114, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 034.
Date of Book Closure	19th Sep. 2012 to 28th Sep. 2012
Listing on Stock Exchanges	The Bombay Stock Exchange Limited
ISIN Number for NSDL & CDSL	INE935D01013
Registrar and Share Transfer Agent	M/s.Cameo Corporate Services Limited Subramanian Building, No.1 Club House Road Chennai - 600 002. Ph: 044-28460390 Fax: 044-28460129 E-mail: murali@cameoindia.com

L) FINANCIAL CALENDAR:

Adoption of the Quarterly Results for the quarter ending:

30 th June 2011	5 th August 2011
30 th September 2011	29 th October 2011
31 st December 2011	11 th February 2012
31 st March 2012	15 th May 2012



M) DISTRIBUTION OF SHARE HOLDING AS ON 31.3.2012

Shareholding	Shares		Shares Amount	
	Number	% of total	(in Rs.)	% of total
10 – 5000	287	70.1711	352200	0.3804
5001 – 10000	31	7.5794	243860	0.2633
10001 – 20000	22	5.3789	323310	0.3492
20001 – 30000	10	2.4449	247100	0.2668
30001 – 40000	4	0.9779	138050	0.1491
40001 – 50000	3	0.7334	137960	0.1490
50001 – 100000	17	4.1564	1231000	1.3296
100001 and above	35	8.5574	89909520	97.1123
Total 409	100.0000	92583000	100.0000	

N) DISTRIBUTION OF SHAREHOLDING PATTERN

Shareholding Pattern

Name of the Company : INDUS FINANCE CORPORATION LTD.,

Quarter ending : 31.03.2012

Statement Showing Shareholding Pattern								
Name of the Company :					INDUS FINANCE CORPORATION LTD			
Scrip Code : 531841					Quarter Ended : 31 st March 2012			
Category code	Category of Shareholder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of Shares	As a Percentage (IX)= (VII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals / Hindu Undivided Family	4	3275386	2495386	35.38	35.38	0	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	4	3463200	3463200	37.41	37.41	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)							
	Sub Total (A)(1)	8	6738586	5958586	72.78	72.78	0	0.00
2	Foreign							
a	Individuals (Non - Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)							
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8	6738586	5958586	72.78	72.78	0	0.00



(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds / UTI	0	0	0	0.00	0.00	NA	NA
(b)	Financial Institutions/ Banks	2	4900	2700	0.05	0.05	NA	NA
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	NA	NA
(d)	Venture Capital Funds	0	0	0	0.00	0.00	NA	NA
(e)	Insurance Companies	0	0	0	0.00	0.00	NA	NA
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	NA	NA
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	NA	NA
(h)	Any Other (specify)							
	Sub-Total (B)(1)	2	4900	2700	0.05	0.05	NA	NA
2	Non-institutions							
(a)	Bodies Corporate	54	1190086	1190086	12.85	12.85	NA	NA
(b)	Individuals							
I	Individuals -i, Individual shareholders holding nominal share capital up to Rs 1 lakh	301	118600	93900	1.28	1.28	NA	NA
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	16	979966	979966	10.58	10.58	NA	NA
(c)	Any Other (specify)						NA	NA
(c-i)	Clearing Members	6	55251	55251	0.60	0.60	NA	NA
(c-ii)	Directors and Their relatives-		-	-	-	-	NA	NA
(c-iii)	Hindu Undivided Families	6	162891	162891	1.76	1.76	NA	NA
(c-iv)	Non Resident Indians	2	8020	8020	0.09	0.09	NA	NA
	Sub-Total (B)(2)	385	2514814	2490114	27.16	27.16	NA	NA
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	387	2519714	2492814	27.22	27.22	NA	NA
	TOTAL (A)+(B)	395	9258300	8451400	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	NA	NA
	GRAND TOTAL (A)+(B)+(C)	395	9258300	8451400	100.00	100.00	0	0.00



O) NON-MANDATORY REQUIREMENTS

- a. Chairperson of the Board: Whether the Chairperson of the Board is entitled to maintain a Chairperson's Office at the Company's expense and also allowed reimbursement of expenses incurred in the performance of his duties: No
- b. The Company's audited and un-audited results are widely published in English and Tamil Newspapers.
- c. Postal Ballot:
There were no resolutions passed through Postal Ballot.

P) ADDRESS FOR CORRESPONDENCE:

- | | |
|--|---|
| 1) Indus Finance Corporation Ltd
"Kothari Building", 4 th Floor,
114, Mahatma Gandhi Road,
Nungambakkam, Chennai - 600 034.
Tel: 044-28330867 / 28331310
Fax: 044-28330208
E-mail : contact@indusfinance.in | 2) Cameo Corporate Services Ltd
Subramanian Building, V Floor,
No.1, Club House Road,
Chennai - 600 002.
Phone : 044-28460390 394 & 28460718
Fax : 044 28460129
E-mail: murali@cameoindia.com |
|--|---|

DECLARATION

To
The Members of Indus Finance Corporation Ltd.,

This is to declare that the respective Code of Conduct envisaged by the Company for Members of the Board and Senior Management Personnel have been complied with by all the members of the Board and senior management Personnel of the Company.

ON BEHALF OF THE BOARD
For INDUS FINANCE CORPORATION LTD.,

Bala V. Kutti
Director

Place: Chennai
Date: 10th August 2012

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s. Indus Finance Corporation Ltd, for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement. As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor's Grievance committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For V. RAMARATNAM & CO
Chartered Accountants

Place: Chennai
Date: 10th August 2012

R. SUNDAR
Partner
Membership No. 12339



AUDITORS' REPORT

To

The Members of
INDUS FINANCE CORPORATION LTD

We have audited the attached Balance Sheet of **INDUS FINANCE CORPORATION LTD**, as at 31st March, 2012 and the Profit and Loss Account of the Company for the same period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' report) Order 2003, issued by the Central Government of India in terms of Section 227 (IV) (a) of the Companies Act, 1956, we annex hereto a statement of the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the statement referred to in paragraph 1 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account, as required by law have been kept by the company so far as it appears from our examination of such books.
 - c. The Company's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d. In our opinion the Profit & Loss Account and the Balance Sheet comply with the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - e. On the basis of the written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon under Schedule give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India,
 - 1 in the case of the Balance Sheet, the state of affairs of the company as at 31st March, 2012;
 - 2 in the case of the Profit and Loss Account, profit for the period ended on that date; and
 - 3 In so far as it relates to cash flow statement, the cash flow of the Company for the year ended on that date

For V Ramaratnam & Co
Chartered Accountants
FRN 002956S

CHENNAI
10.08.2012

R Sundar
Partner
PRN 005295



Annexure - I

RE: INDUS FINANCE CORPORATION LTD

Referred to Paragraph 2 of our report of even date

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
(b) All the Assets have been physically verified by the management during the year and the Company has regular programme of verification which, in our opinion, is reasonable having regard to the nature of the Company and its size. No material discrepancies were noticed.
(c) The Company has not disposed off substantial portion of the fixed assets during the year, affecting the concern.
2. The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and its nature of business.

The Company is maintaining proper records of inventory. No discrepancies noticed on verification between the physical stocks and the book records.
3. The company has taken secured loan from three companies covered under register maintained under section 301 of the Act. The total outstanding as at 31st March, 2012 is Rs. 31,55,68,450/-. There is no stipulation regarding repayment and interest for the loans taken.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanation given to us and according to the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956, the value of transactions exceeding Rs.5,00,000/- with those parties, are reasonable having regard to the prevailing market price.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which the provisions of section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under are applicable and therefore paragraph 4(vi) of the Order is not applicable. The Company has taken unsecured loans from Companies covered under section 301 of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. As the Company is predominantly a Non Banking Finance Company, it is not required to maintain Cost Audit Records under the Act, for the income generated from sale of power.
9. In our opinion and according to the information and explanations given to us, the company does not have any undisputed statutory dues, as at 31st March, 2012 for a period of more than six months from the date they became payable to investor education protection fund, employees' state insurance, sales tax, wealth tax, customs duty, excise duty, cess and other statutory dues, if any, with the appropriate authorities except Income Tax of Rs 2,81,89,967/- relating to Assessment years 1996-97,



1997-98, 1998-99 and 2004-05 raised by the department which is disputed and the company's appeals are pending for disposal due to disputes related to earlier years and a service tax amount of Rs. 181,386/- the payment of which is pending for completion of registration formalities.

10. The Company has neither accumulated losses nor incurred cash loss during the financial year covered under our audit and preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has no overdue of Installments payable to any financial Institutions.
12. In our opinion the company has maintained adequate records for loans granted on the basis of security by way of pledge of shares.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund, society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, where the company has given any guarantees for loans taken by others from banks or financial institutions the terms and conditions are not prejudicial to the interest of the Company.
16. The Company has not taken term loans during the period covered under our audit and there is no term loan outstanding as on the date of audit.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no short-term funds were invested in long-term investment.
18. According to the information and explanations given to us, the company has not raised money by public issue during the year.
19. According to the information and explanations given to us during the period covered under our audit, the company has not issued any debentures during the year and hence, the provisions of clause no 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
20. According to the information and explanations given to us, the company has not raised any money by way of public issue during the year and therefore paragraph 4 (xx) of the Order is not applicable to the company.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For V Ramaratnam & Co
Chartered Accountants
FRN 002956S

R Sundar
Partner
PRN 005295

CHENNAI
10.08.2012



Annexure - II

RE: **INDUS FINANCE CORPORATION LTD**

Auditors' Report as per Reserve Bank of India Notification No. DFC.114/DG(SPT)-98

1. The Company had applied for and obtained registration as provided in Section 45IA of the Reserve Bank of India Act, 1934 (2 of 1934).
2. According to Information and Explanation provided to us, the Board of Directors of the Company has passed the necessary resolution for the non-acceptance of any public deposits during the year.
3. According to Information and Explanation provided to us, the Company has not accepted deposits from the public during the year.
4. According to Information and Explanation provided to us, the Company has complied with the prudential norms relating the income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

For V Ramaratnam & Co
Chartered Accountants
FRN 002956S

CHENNAI
10.08.2012

R Sundar
Partner
PRN 005295



INDUS FINANCE CORPORATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 2012

PARTICULARS	NOTE No.	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	92,583,000	46,291,500
(b) Reserves and surplus	4	71,305,943	117,484,373
		163,888,943	163,775,873
2 Non-current liabilities			
(a) Long-term borrowings	5	342,262,333	28,888,094
(b) Other long-term liabilities		-	-
(c) Long-term provisions		-	-
		342,262,333	28,888,094
3 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	6	27,575	726,495
(c) Other current liabilities	7	6,634,103	4,304,495
(d) Short-term provisions		-	-
		6,661,678	5,030,990
	TOTAL	512,812,954	197,694,957
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8.A	35,501,119	9,269,908
(ii) Intangible assets	8.B	-	1,310,417
		35,501,119	10,580,325
(b) Non-current investments	9	121,101,290	120,591,985
(c) Deferred tax assets (net)	30.10	1,620,280	697,320
(d) Long-term loans and advances	10	347,987,048	65,260,510
(e) Other non-current assets		-	-
		506,209,737	197,130,140
2 Current assets			
(a) Current investments		-	-
(b) Inventories	11	563,710	-
(c) Trade receivables	12	5,359,669	-
(d) Cash and cash equivalents	13	679,838	564,817
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
		6,603,217	564,817
	TOTAL	512,812,954	197,694,957

See accompanying notes forming part of the financial statements

In terms of our report attached.

For V. Ramaratnam & Co.

Chartered Accountants

For and on behalf of the Board of Directors

R. Sundar

Partner

Place : Chennai

Date : 10th August, 2012

J. Bhuvanewari
Company Secretary

Bala V. Kutti
Director

T.S. Raghavan
Director



INDUS FINANCE CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

PARTICULARS	NOTE No.	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
A CONTINUING OPERATIONS			
1 Revenue from operations	14	103,848,090	9,614,470
2 Other income	15	3,649,534	1,630,954
3 Total revenue		107,497,624	11,245,424
4 Expenses			
(a) Employee benefits expenses	16	2,260,673	874,171
(b) Finance costs	17	16,249,369	2,047
(c) Depreciation and amortisation expense	8.C	81,119,485	1,193,585
(d) Other expenses	18	2,301,240	5,657,164
Total expenses		101,930,767	7,726,967
5 Profit / (Loss) before exceptional and extraordinary items and tax		5,566,857	3,518,457
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax		5,566,857	3,518,457
8 Extraordinary items		-	-
9 Profit / (Loss) before tax		5,566,857	3,518,457
10 Tax expense:			
(a) Current tax expense for current year		2,610,586	1,428,729
(e) Deferred tax		-922,960	-361,132
		1,687,626	1,067,597
11 Profit / (Loss) from continuing operations		3,879,231	2,450,860
12 Profit / (Loss) for the year		3,879,231	2,450,860
13 Earnings per share (of Rs.10/- each):			
(a) Basic		0.42	0.53
(b) Diluted		0.42	0.53
14 Earnings per share (excluding extraordinary items) (of Rs.10/- each):			
(a) Basic		0.42	0.53
(b) Diluted		0.42	0.53

See accompanying notes forming part of the financial statements

In terms of our report attached.

For V. Ramaratnam & Co.

Chartered Accountants

For and on behalf of the Board of Directors

R. Sundar

Partner

Place : Chennai

Date : 10th August, 2012

J. Bhuvanewari
Company Secretary

Bala V. Kutti
Director

T.S. Raghavan
Director



INDUS FINANCE CORPORATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

PARTICULARS	For the year ended 31.3.2012		For the year ended 31.3.2011	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		3,879,231		2,450,860
<i>Adjustments for:</i>				
Depreciation and amortisation	81,119,485		1,193,585	
Finance costs	16,249,369	97,368,854	2,047	1,195,632
Operating profit / (loss) before working capital changes		101,248,085		3,646,492
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	-563,710		-	
Trade receivables	-5,359,669		-11,528,750	
Short-term loans and advances	-		-	
Long-term loans and advances	-282,726,538		-65,274	
Other current assets	-		-	
Other non-current assets	-		-	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	-698,920		-	
Other current liabilities	2,329,608		6,077,764	
Other long-term liabilities	-		-	
Short-term provisions	-		-2,690,115	
Long-term provisions	-	-287,019,229	-	-8,206,375
Cash flow from extraordinary items		-185,771,144		-4,559,883
Cash generated from operations		-185,771,144		-4,559,883
Net cash flow from / (used in) operating activities (A)		-185,771,144		-4,559,883
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	-106,310,800		-	
Proceeds from sale of fixed assets	270,520		-	
- Associates	-509,305		12,500	
Rental income from investment properties	-	-106,549,585	-	12,500
Cash flow from extraordinary items		-		-
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) investing activities (B)		-106,549,585		12,500
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-			
Increase / (Decrease) in long-term borrowings	313,374,239		5,003,491	
(Increase) / Decrease in Deferred Tax Assets	-922,960		-361,133	
Increase / (Decrease) in short-term borrowings	-		-	
Finance cost	-16,249,369		-2,047	
Increase / (Decrease) in Reserves	-3,766,160		-8,480,837	
Decrease / (Increase) in Mis Expenditure	-		8,468,337	
Dividends paid	-		-	
Tax on dividend	-	292,435,750	-	4,627,811
Net cash flow from / (used in) financing activities (C)		292,435,750		4,627,811
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		115,021		80,428
Cash and cash equivalents at the beginning of the year		564,817		484,389
Cash and cash equivalents at the end of the year		679,838		564,817
(a) Cash on hand		9,467		6,443
(b) Balances with banks in Current Accounts		670,371		558,374
		679,838		564,817

Note: The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations. See accompanying notes forming part of the financial statements
In terms of our report attached.

For V. Ramaratnam & Co.
Chartered Accountants

For and on behalf of the Board of Directors

R. Sundar
Partner
Place : Chennai
Date : 10th August, 2012

J. Bhuvaneswari
Company Secretary

Bala V. Kutti
Director

T.S. Raghavan
Director



INDUS FINANCE CORPORATION LIMITED

Notes forming part of the financial statements

Note	Particulars
1	Significant accounting policies
1.1	Basis of accounting and preparation of financial statements <p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
1.2	Use of estimates <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
1.3	Inventories <p>Inventories represent, Energy generated from Wind Mills and not sold.</p>
1.4	Cash and cash equivalents (for purposes of Cash Flow Statement) <p>Cash comprises cash on hand and demand deposits with banks.</p>
1.5	Cash flow statement <p>The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
1.6	Depreciation and amortisation <p>Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:</p> <p>Plant & Machinery - Depreciation has been provided based on the expected useful life of the assets for the assets added during the year.</p> <p>Plant & Machinery - Depreciation has been provided for the assets acquired during the earlier years at the rates prescribed in Schedule XIV.</p> <p>The Company has provided depreciation as permitted under Income Tax Act, 1961 on wind mills investments for FY 11-12. Accordingly the current year's depreciation includes Rs. 75,562,500/- charged on such wind mills.</p>
1.7	Revenue recognition <p>Power income is recognised on accrual basis as they are earned or incurred.</p> <p>Income from other financing activities and services is recognised on accrual basis.</p>



Note	Particulars
1.8	Other income Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
1.9	Tangible fixed assets Fixed assets are stated at historical cost less accumulated depreciation.
1.10	Intangible assets The Company has written off during the year the intangible assets against the profits.
1.11	Investments Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value.
1.12	Employee benefits The Company has not formulated any policy for employee benefits, including Provident Fund, ESI or Gratuity.
1.13	Borrowing costs Borrowing costs are recognised as expenses in the period in which they are actually incurred.
1.14	Taxes on income Current tax is provided on the taxable income for the year. Deferred tax liabilities arising from timing differences have been fully provided. Deferred tax assets are recognised on the consideration of prudence.
1.15	Impairment of assets The carrying values of assets are reviewed for impairment at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the net selling price of the assets and their value in use.
1.16	Provisions Provisions are recognised when the Company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.



INDUS FINANCE CORPORATION LIMITED

**Notes forming part of the financial statements
Note 3 Share Capital**

PARTICULARS	As at 31.3.2012		As at 31.3.2011	
	Number of Shares	Rs.	Number of Shares	Rs.
(a) Authorised Equity shares of Rs. 10/- each with voting rights	15,000,000	150,000,000	6,000,000	60,000,000
		150,000,000		60,000,000
(b) Issued Equity shares of Rs.10/- each with voting rights	9,258,300	92,583,000	5,000,000	50,000,000
		92,583,000		50,000,000
(c) Subscribed and fully paid up Equity shares of Rs.10/- each with voting rights	9,258,300	92,583,000	4,629,150	46,291,500
		92,583,000		46,291,500
Total		92,583,000		46,291,500

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

PARTICULARS	Opening Balance	Fresh issue	Bonus	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2012				
- Number of shares	4,629,150	-	4,629,150	9,258,300
- Amount (Rs.)	46,291,500	-	46,291,500	92,583,000
Year ended 31 March, 2011				
- Number of shares	4,629,150	-	-	4,629,150
- Amount (Rs.)	46,291,500	-	-	46,291,500

(ii) Details of shares held by each shareholder holding more than 5% shares:

CLASS OF SHARES / NAME OF SHAREHOLDER	As at 31.3.2012		As at 31.3.2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Bala Venckat Kutti	2232400	24.11	726200	15.69
Subuthi Investmetns Private Limited	1849400	19.98	924700	19.98
Loyal Credit and Investments Limited	1133800	12.25	516400	11.16
K B Prathadevi	783600	8.46	391800	8.47
K.R. Venkaraman	-	-	390000	8.42

(iii) Aggregate number and class of shares allotted as fully paid up bonus shares for the period of 5 years immediately preceding the Balance Sheet date:

PARTICULARS	Aggregate number of shares			
	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2009
Fully paid up by way of bonus shares	4,629,150	-	-	-

(iv) Details of forfeited shares

CLASS OF SHARES	As at 31.3.2012		As at 31.3.2011	
	Number of shares held	Amount originally paid up Rs.	Number of shares held	Amount originally paid up Rs.
Equity shares with voting rights	-	-	370,850	1,854,250



INDUS FINANCE CORPORATION LIMITED

Notes forming part of the financial statements
Note 4 Reserves and surplus

PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
(a) Capital reserve		
Opening balance	1,854,250	1,854,250
Add: Additions during the year (give details)	-	-
Less: Utilised / transferred during the year (give details)	-	-
Closing balance	1,854,250	1,854,250
(c) Securities premium account		
Opening balance	35,451,250	35,451,250
Less : Utilised during the year for: Issuing bonus shares	35,451,250	-
Closing balance	-	35,451,250
(e) Statutory reserve		
Opening balance	6,807,785	6,317,614
Add: Addition on revaluations during the year	775,846	490,171
Closing balance	7,583,631	6,807,785
(g) General reserve		
Opening balance	8,656,000	8,656,000
Add: Transferred from surplus in Statement of Profit and Loss	2,184,250	-
Less: Utilised / transferred during the year for: Issuing bonus shares	10,840,250	
Closing balance	-	8,656,000
(k) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	64,715,088	73,925,351
Add: Profit / (Loss) for the year	3,879,231	2,450,860
Less: Interim dividend		
Dividends proposed to be distributed to equity shareholders (Rs.0.35/- per share)	3,240,405	2,314,575
Tax on dividend	525,756	375,540
Transferred to:		
General reserve & statutory reserve	2,960,096	490,171
Others - Misc Expenses W/off		8,480,837
Closing balance	61,868,062	64,715,088
Total	71,305,943	117,484,373



INDUS FINANCE CORPORATION LIMITED

Notes forming part of the financial statements
Note 5 Long-term borrowings

PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
(a) Term loans From other parties Secured	26,693,808	19,658,452
	26,693,808	19,658,452
(b) Loans and advances from related parties @ (Refer Note 30.7) Secured	315,568,450	5,000,000
Unsecured	-	3,049,803
	315,568,450	8,049,803
(c) Other loans and advances (specify nature) Secured	-	-
Unsecured	75	1,179,839
	75	1,179,839
Total	342,262,333	28,888,094

Notes: (i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

PARTICULARS	Terms of repayment and security	As at 31.3.2012		As at 31.3.2011	
		Secured Rs.	Unsecured Rs.	Secured Rs.	Unsecured Rs.
Term loans from other parties: LIC of India	To be repaid on maturity of policy. Secured against Keyman Insurance Policy	26,693,808	-	19,658,452	-
Loans and advances from related parties: Indowind Energy Limited	Secured against 3.5 Mw wind project	219,868,450	-	5,000,000	3,049,803
Bewind Power Private Limited	Secured against 1 Mw solar power project	70,700,000	-		
Soura Capital Limited	Secured against Receivables.	25,000,000	-		
Total		315,568,450	-	5,000,000	3,049,803
Other loans and advances			75	-	1,179,839

Note 6 Trade payables

PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Trade payables:	27,575	726,495
Total	27,575	726,495

Note 7 Other current liabilities

PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
(a) Dividend and Dividend Tax payable	3,766,161	2,690,115
(b) Other payables	-	-
(i) Statutory remittances (Withholding Taxes, Service Tax, etc.)	2,867,942	1,614,380
Total	6,634,103	4,304,495

INDUS FINANCE CORPORATION LIMITED

Notes forming part of the financial statements

Note 8 Fixed assets

PARTICULARS	Gross block				Accumulated depreciation and impairment			Net block	
	Balance As at 1 April, 2011	Additions	Disposals	Balance As at 31 March, 2012	Balance As at 1 April, 2011	Depreciation /amortisation expense for the year	Eliminated on sale	Balance As at 31 March, 2011	Balance As at 31 March, 2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. TANGIBLE ASSETS									
(a) <i>Plant and Equipment</i>									
Owned	22,000,000	105,000,000	-	127,000,000	15,400,000	79,100,000	-	6,600,000	32,500,000
Leased	2,000,000	-	-	2,000,000	-	-	-	2,000,000	2,000,000
(b) <i>Vehicles</i>	985,103	1,000,000	270,520	1,714,583	315,195	460,655	241,949	669,908	938,733
(c) <i>Office equipment</i>	-	68,850	-	68,850	-	6,464	-	-	62,386
Total - Tangible Assets	24,985,103	106,068,850	270,520	130,783,433	15,715,195	79,567,119	241,949	9,269,908	35,501,119
B. INTANGIBLE ASSETS									
(a) <i>Portals</i>	16,000,000	-	-	16,000,000	14,689,583	1,310,417	-	1,310,417	-
Total - Intangible Assets	16,000,000	-	-	16,000,000	14,689,583	1,310,417	-	1,310,417	-
C. Depreciation and amortisation relating to continuing operations:									
	Particulars				For the year ended 31 March, 2012		For the year ended 31 March, 2011		
					Rs.		Rs.		
Depreciation and amortisation for the year on tangible assets as per Note 8 A					79,809,068		1,193,585		
Depreciation and amortisation for the year on intangible assets as per Note 8 B					1,310,417		-		
Depreciation and amortisation relating to continuing operations					81,119,485		1,193,585		
Written Down Value of Intangible Assets fully written off during the year									

INDUS FINANCE CORPORATION LIMITED

Notes forming part of the financial statements

Note 9 Non-current investments

PARTICULARS	No of Shares	As at 31 March, 2012			As at 31 March, 2011		
		Quoted	Unquoted	Total	Quoted	Unquoted	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Investments (At cost):							
(a) Investment in equity instruments							
(i) of associates							
Indowind Energy Limited *	6,421,765	57,460,875	-	57,460,875	57,276,500	-	57,276,500
Bekae Properties Pvt Limited	150,000	-	15,000,000	15,000,000	-	15,000,000	15,000,000
Indonet Global Limited	2,228,880	-	11,144,400	11,144,400	-	11,144,400	11,144,400
Ind Eco Ventures Limited	32,493	-	324,930	324,930	-	-	-
Indus Nutri Foods Pvt Ltd	250,000	-	1,250,000	1,250,000	-	1,250,000	1,250,000
(ii) of other entities							
Andhra Bank	9,100	91,000	-	91,000	91,000	-	91,000
ICICI Bank Ltd.,	256	25,211	-	25,211	25,211	-	25,211
IDBI Ltd.,	4,960	403,000	-	403,000	403,000	-	403,000
ITC Ltd.,	1,050	99,264	-	99,264	99,264	-	99,264
NEPC India Ltd.,	1,200	36,000	-	36,000	36,000	-	36,000
Reliance Industries Ltd.,	200	82,000	-	82,000	82,000	-	82,000
Picture House Media Ltd	500	5,000	-	5,000	5,000	-	5,000
Country Club India Ltd (Amruta Inns Ltd.,)	9,500	39,710	-	39,710	39,710	-	39,710
Hindustan Industrial Chemicals Ltd.,	2,700	45,900	-	45,900	45,900	-	45,900
Avikem Resins Ltd	650	6,500	-	6,500	6,500	-	6,500
Damania Airways	10,000	100,000	-	100,000	100,000	-	100,000
Ravlon Pen Co. Ltd	5,000	87,500	-	87,500	87,500	-	87,500
Money Shoppe Network Ltd.	240,000	-	2,400,000	2,400,000	-	2,400,000	2,400,000
		58,481,960	30,119,330	88,601,290	58,297,585	29,794,400	88,091,985
		-	20,000	20,000	-	20,000	20,000
(b) Investment in mutual funds							
(c) Other non-current investments (Key Man Insurance Policy)			32,480,000	32,480,000		32,480,000	32,480,000
Total		58,481,960	62,619,330	121,101,290	58,297,585	62,294,400	120,591,985
Diminution in value of investments				18,930,285			-63,773,770



INDUS FINANCE CORPORATION LIMITED		
Notes forming part of the financial statements		
Note 10 Long-term loans and advances		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
(a) Loans and advances to related parties		
Secured, considered good	1,867,195	-
Unsecured, considered good	28,683,750	483,750
	30,550,945	483,750
Less: Provision for doubtful loans and advances	-	-
Total	30,550,945	483,750
(b) Loans and advances to employees		
Unsecured, considered good	38,900	10,500
	38,900	10,500
Less: Provision for doubtful loans and advances	-	-
Total	38,900	10,500
(c) Balances with government authorities	16,006,390	14,043,157
(d) Other loans and advances		
Secured, considered good	291,694,265	62,504
Unsecured, considered good	8,840,282	49,804,333
Doubtful	856,266	856,266
	301,390,813	50,723,103
Less: Provision for other doubtful loans and advances	-	-
Total	301,390,813	50,723,103
Total	347,987,048	65,260,510
Note: Long-term loans and advances include amounts due from:		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner (give details per firm)	-	-
	-	-
Note 11 Inventories - (At lower of cost and net realisable value)		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
(d) Stock-in-trade - Energy Stock	563,710	-
Total	563,710	-
Note 12 Trade receivables		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Trade receivables outstanding for a period within six months from the date they were due for payment		
Secured, considered good	5,359,669	-
Unsecured, considered good	-	-
Doubtful	-	-
Total	5,359,669	-
Note 13 Cash and cash equivalents		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
(a) Cash on hand	9,467	6,443
(b) Balances with banks	-	-
(i) In current accounts	670,371	558,374
Total	679,838	564,817



INDUS FINANCE CORPORATION LIMITED		
Notes forming part of the financial statements		
Note 14 Revenue from operations		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
(a) Income From Operations	103,742,806	9,550,984
(b) Income from Investments	105,284	63,486
Total	103,848,090	9,614,470
Notes: Income From Operations		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
(i) Interest Income	25,914,736	-
(ii) Processing Charges	2,145,000	-
(iii) Other Financial Income	75,683,070	9,550,984
Total - Income From Operations	103,742,806	9,550,984
Note 15 Other income		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
(a) Other Income - Income from Sale of Electricity	3,649,534	1,630,954
Total	3,649,534	1,630,954
Note 16 Employee benefits expenses		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Salaries and wages	2,260,673	868,061
Staff welfare expenses	-	6,110
Total	2,260,673	874,171
Note 17 Finance costs		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
(a) Interest expense on:		
(i) Borrowings	16,228,034	-
(iii) Others - Processing Charges	21,335	2,047
Total	16,249,369	2,047
Note 18 Other expenses		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Power and fuel	-	1,294
Rent including lease rentals	8,000	-
Repairs and maintenance - Machinery	481,590	347,564
Insurance	18,594	39,268
Rates and taxes	1,123,001	4,916,655
Communication	35,052	19,798
Travelling and conveyance	235,470	49,054
Printing and stationery	59,215	29,767
Business promotion	252,100	93,815
AGM / EGM Expenses	13,647	33,314
Payments to auditors (Refer Note (i) below)	72,951	68,335
Miscellaneous expenses	1,620	58,300
Total	2,301,240	5,657,164
Notes:		
PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
(i) Payments to the auditors comprises:		
As auditors - statutory audit	61,000	51,800
For taxation matters	11,951	16,535
Total	72,951	68,335



Notes forming part of the financial statements

Note 19.a Exceptional items

PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Financial Income	74,372,653	-
Total	74,372,653	-

During the year, the company received the above amount as way of settlement of protracted litigation with ICICI Bank Ltd. as per order of Hon'ble High Court of Madras.

Note 19.b Extraordinary items

PARTICULARS	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Government grants that have become refundable	-	-
Total	-	-

Extraordinary items are income and expenses that arise from events or transactions that are clearly distinct from ordinary activities of the Company and are not expected to recur frequently or regularly.



INDUS FINANCE CORPORATION LIMITED

Note 20 Additional information to the financial statements

20.1 Contingent liabilities and commitments (to the extent not provided for)	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt Income Tax department has attached part of investments of the company against the above stated litigated demands. The company has given a Bank Guarantee in case of cash credit availed by Indowind Energy Limited for an amount of Rs. 10 Crores	28,189,967.00	28,189,967.00

20.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no amounts due to small scale industries in terms of " The Micro, Small and Medium Enterprises Development Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

20.3 Foreign Exchange Expenses / Earnings	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Expenditure in foreign currency	-	-
Earnings in foreign exchange	-	-

20.5 Related party transactions

Details of related parties:

Description of relationship	
Associates	Indowind Energy Limited Bewind Power Private Limited Indus Capital Private Limited Subuthi Investments Private Limited Soura Capital Private Limited
Key Management Personnel (KMP)	Bala V. Kutti - Director T R Jeyaraman - Director T S Raghavan - Director

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:

	Associates	KMP	Total
Purchase of fixed assets	90,000,000	-	90,000,000
Power share payments	361,232	-	361,232
Interest expenses	9,192,678	-	9,192,678
Sitting fees	-	125,000	125,000
Rent	8,000	-	8,000
<u>Balances outstanding at the end of the year</u>			
Loans and advances	28,628,750	-	28,628,750
	(3628750)	-	(3628750)
Borrowings	315,568,450	-	315,568,450
	(8049803)	-	(8049803)

Note: Figures in bracket relates to the previous year



INDUS FINANCE CORPORATION LIMITED

20.6 EARNINGS PER SHARE	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Basic		
<u>Total operations</u>		
Net profit / (loss) for the year	3879231	2450860
Net profit / (loss) for the year attributable to the equity shareholders	3879231	2450860
Weighted average number of equity shares	9258300	4629150
Par value per share	10	10
Earnings per share - Basic	0.42	0.53
<u>Diluted</u>		
<u>Total operations</u>		
Net profit / (loss) for the year	3879231	2450860
Net profit / (loss) for the year attributable to the equity shareholders	3879231	2450860
Profit / (loss) attributable to equity shareholders (on dilution)	9258300	4629150
Weighted average number of equity shares for Basic EPS	9258300	4629150
Weighted average number of equity shares - for diluted EPS	9258300	4629150
Par value per share	10	10
Earnings per share - Diluted	0.42	0.53
20.7 Deferred tax (liability) / asset	As at 31.3.2012 Rs.	As at 31.3.2011 Rs.
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax assets	2,986,927	1,168,715
Tax effect of items constituting deferred tax liabilities	922,960	361,133
Net deferred tax (liability) / asset	922,960	361,133
<p>The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.</p>		
20.8 Previous Year's Figures		
<p>The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.</p>		



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No. 22317	State Code 18
---------------------------	------------------

Balance sheet date : 31 03 2012

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

Public issue NIL	Rights issue NIL
Bonus issue 46291.50	Private Placement NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)

Total liabilities 512812.95	Total asset 512812.95
--------------------------------	--------------------------

SOURCES OF FUNDS

Paid up capital 92583.00	Reserves & Surplus 71305.94
Secured loans 342262.33	Unsecured loans NIL

APPLICATION OF FUNDS

Net fixed assets 35501.12	Investments 121101.29
Net current assets (58.46)	Misc. Expenditure NIL
Accumulated losses NIL	

IV PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover 107497.62	Total Expenditure 101930.77
Profit / (Loss) before tax 5566.86	Profit / (Loss) after tax 1687.63
Earning/share (Rs.) 0.42	



INDUS FINANCE CORPORATION LTD.

Regd. Office "Kothari Building", 4th Floor
114, Mahatma Gandhi Road, Nungambakkam, Chennai- 600 034.

ATTENDANCE SLIP

Please fill Attendance Slip and hand it over at the Entrance of the Meeting Hall.

NAME AND ADDRESS OF THE SHARE HOLDER

Folio No.

DP.ID	<input type="text"/>
CLIENT ID*	<input type="text"/>

* Application to investors holding shares in electronic form

I hereby record my presence at the 21st Annual General Meeting being held on 28th September, 2012 at "Kothari Buildings", 4th Floor, 114 M.G. Road, Nungambakkam, Chennai - 600 034.

SIGNATURE OF THE MEMBERS OR PROXY	SHARES HELD



INDUS FINANCE CORPORATION LTD.

Regd. Office "Kothari Building", 4th Floor
114, Mahatma Gandhi Road, Nungambakkam, Chennai- 600 034.

PROXY FORM

I/we _____ of _____ in district of _____ being a member(s) of the above named Company hereby appoint Mr./Ms. _____ of _____ in the district _____ of or failing him Mr./Ms. _____ of _____ in district of _____ as my/our Proxy and to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held on 28th September, 2012 at 10.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Folio No. _____

DPID: _____ CLIENT ID: _____

Re 1/-
Revenue
Stamp

Notes:

1. The proxy to be valid should be deposited at the Registered Office of the Company not later than Forty-Eight hours before the time for holding the Meeting.
2. The Proxy should be executed on Re. 1 Revenue Stamp.

BOOK-POST

If Undelivered Please Return to:-

REGISTERED OFFICE:
INDUS FINANCE CORPORATION LTD.,
"KOTHARI BUILDING", 4th Floor,
No. 114, Mahatma Gandhi Salai,
Nungambakkam,
Chennai - 600 034.